

1 May 2017

ASX Code: MXC

New EU Sales Agreements Signed For MGC Derma

- MXC has signed new cosmetics sales agreements in Europe, with additional contracts expected to follow in current quarter
- Multiple wholesale reseller agreements have been signed for MGC Derma cosmetics product lines with retail outlets in Spain, Italy and Romania
- MGC Derma's anti-ageing and essentials products lines will be available for sale through these new customer retail stores and online shops from early May 2017
- Strong start to the Company's European commercial rollout, with discussions advanced with potential major distributors in the UK and other EU markets
- Further key market contracts in Australia, Canada and the USA and expected to follow as legislation permits

MGC Pharmaceuticals Ltd (ASX: **MXC** or "the Company") is pleased to announce that the Company has signed new European wholesale reseller agreements for its cosmetics product line, MGC Derma, with both dispensaries and cannabis lifestyle retailers in Spain, Italy and Romania. MGC Derma is 51% owned by MXC. The key details of the resellers are set out below:

- Italy: Contract signed with *TAI-Ma SRL*, an Italian company that brings together hydroponic stores and Cannabis Lifestyle Vendors in Italy
- Spain: Contract signed with *Organic Oz*, which operates dispensaries and distributes cannabis related products throughout Spain
- Romania: Contract signed with *Coplex Distribution SRL*, a Romanian spa industry distributor who works with premium luxury spa brands
- Italy: MOU signed with a cannabis wellness group working through retail pharmacies in Italy. The formal reseller agreement expected to be signed in May. Under the agreement, it will place MGC Derma products alongside other plant wellness products and deliver retail product education and outreach.

Under these reseller agreements, MXC has expanded its offering in the large €70 billion European cosmetics market¹, with the Company's anti-ageing and essentials products available for retail purchase instore, via retail venues and online from early May 2017. This builds on the Company's established MGC Derma [eShop](#), which is already distributing products from the Czech Republic to Italy.

¹Source: [Cosmetics Europe Annual Report 2015](#)

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The Company is materially advanced in its negotiations for further wholesale reseller and online sales agreements with major players to access the key European and UK markets.

Commencing in this month, the Company will also begin a social media marketing program for MGC Derma to accelerate sales of its products to European consumers and build brand and product awareness.



MGC Derma Products

The MGC Derma cosmetics line includes:

- *Anti-Aging* product line of premium products
- *Essentials* product line of day to day products
- *Derma+* proprietary treatment products which are being dermatologically tested, expected to be available in Q3 2017, following the completion of final phase clinical testing currently underway

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

“Our MGC Derma cosmetic brand continues to gain traction in Europe, with strong momentum in wholesale contracts in key initial countries helping us to access their €70 billion cosmetics market. We also continue to progress our discussions with potential distributors in the UK market as we focus on further expanding our reach in Europe.”

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About MXC

MGC Pharmaceuticals Ltd (ASX: MXC) is an EU based specialist medical cannabis company with many years of technical, clinical 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 Cannabinoid based pharmaceuticals products for the growing medical markets in Europe, North America and Australasia.

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About MGC Derma

The Company's MGC Derma brand is focused on more than just skincare - it brings together the best of the cosmetic and cannabis worlds by making naturally-derived products that contain the highest-quality CBD. It strives to be innovative and intelligent in all aspects to deliver the best possible, highest quality CBD products to its customers.

Follow MGC Derma via our social media channels  