

22 May 2017

ASX Code: MXC

## Positive MGC Derma Clinical Test Results

### *New Dermatological Product Range to Launch in Q3 2017*

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- MXC has received very positive results from the final phase clinical tests on the Company's new proprietary dermatological products, demonstrating strong improvements on highly irritated or inflamed skin conditions
- Company's dermatological skin care products are targeted for the relief of redness, dry, flaky and oily indications for skin prone to acne, seborrhea and psoriasis like symptoms
- Three products in the Company's *DermaPlus* product range were evaluated over a three-month period on 90 volunteers at a leading European dermatological clinic
- These positive results confirmed the *DermaPlus* products safety and efficacy for the relief of redness, dryness, flaky and oily indications
- 92% of volunteers stated that they would continue using the tested cream
- Following the positive final clinical test results, the *DermaPlus* product range is expected to be granted the 'dermatologically tested' label under European Regulations
- Full commercialisation and first sales of the products remains on track for Q3 2017, following the EU product registration process

**MGC Pharmaceuticals Ltd** (ASX: **MXC** or "the Company") is pleased to announce the receipt of positive results from the Company's final clinical test program and investigation of its proprietary *DermaPlus* product range, under its MGC Derma brand.

The three products tested showed strong improvement in the skin conditions tested, demonstrating their efficacy in the relief of redness, dryness, flaky and oily indications for skin with symptoms relating to acne, inflamed or blemished skin, and psoriasis like conditions.

The results showed an 80% improvement in acne prone skin, 73% improvement in psoriatic plaques, 86% improvement of irritated skin and over 70% improvement in the visual appearance of redness, dryness, flaky and oily skin conditions.

The products were independently investigated and evaluated over a three-month period by Dr Rok Devjak, MD PhD, at the leading Dermatological clinic in Slovenia. Over 90 volunteers participated in the tests, receiving daily topical application of the products to the areas of skin with indications of acne, severe dryness, flakiness and irritation.

## Independent Report on Positive Final Clinical Test Results

The independent final clinical test report from Dr Rok Devjak investigated the 3 *DermaPlus* products, and stated:

- The **HERBAL REPLENISHING CREAM** is effective for the daily care of mild seborrheic dermatitis
- The **HERBAL REPAIR CREAM** is effective for the daily care of mild forms of psoriasis
- The **HERBAL REPAIR BALM** is effective for the daily care of oily skin, acne prone skin

Consistent with the observed results, these new cosmetics claims have been approved for marketing the *DermaPlus* product range. These claims include ‘softens and smoothes rough skin’, ‘reduces appearance of flakes’\*(73% after 4 weeks of evaluation), ‘improves appearance of blemished prone skin’, ‘helps to reduce the appearance of dry’, ‘flaking skin’\* (65% after 4 weeks of evaluation), ‘for red and sensitive skin’, ‘prevents development of acne’, ‘for skin with tendency to acne’.

Following the positive test results, the *DermaPlus* product range is expected to be shortly granted the ‘dermatologically tested’ label by Dermatologist Prof Igor Bartenjev MD PhD, according to the Regulation of the European Parliament. This label denotes the *DermaPlus* products as premium skincare products.



*Image: The DermaPlus Range*

The Company remains on track to fully commercialise the *DermaPlus* product range, with sales of the products expected to commence in Q3 2017 via its established distribution channels and online eShop, along with new distribution agreements to make the products available at over the counter pharmacy outlets throughout Europe.

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

“We are exceptionally pleased that our *DermaPlus* product range has demonstrated such strong results through these clinical tests. Validating the use of medicinal cannabis through rigorous clinical tests is vital to our business model and with over 50 products still in development, these positive results give us a glimpse into the exciting potential for our product range. Commercially, we remain on track to make our *DermaPlus* product range available in Europe for consumers in Q3 2017.”

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### For further information, please contact:

**Media Enquiries**




Melissa Mack  
Account Director  
Media and Capital Partners  
+61 430 119 951  
[melissa.mack@mcpartners.com.au](mailto:melissa.mack@mcpartners.com.au)

**MGC Pharmaceuticals Ltd**

Brett Mitchell  
Executive Chairman  
+61 8 9389 2000  
[info@mgcpharma.com.au](mailto:info@mgcpharma.com.au)

## 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.

The MGC Derma cosmetics line includes:

- *Anti-Aging* product line of premium products
- *Essentials* product line of day to day products
- *DermaPlus* proprietary and dermatologically tested

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