

MONEY & MARKETS

MGC Pharmaceuticals' shares are going nuts after signing a \$40 million cannabis deal



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File photo. Laura Lezza/Getty Images

Shares in MGC Pharmaceuticals soared after the European-based and ASX-listed medical cannabis company announced a \$40 million a year deal with a Korean cosmetics manufacturer.

At the close, the shares had doubled to \$0.076.

MGC Pharmaceuticals says its 51%-owned MGC Derma has signed an agreement with Varm Cosmo Inc to supply five cannabidiol cosmetic products in bulk.

The minimum agreed purchase quantity is 15,000 kg per month, generating about \$40 million in annual revenue.

MGC Derma division is a 51/49 joint venture with cosmetic manufacturer, Dr M. Burstein Ltd.

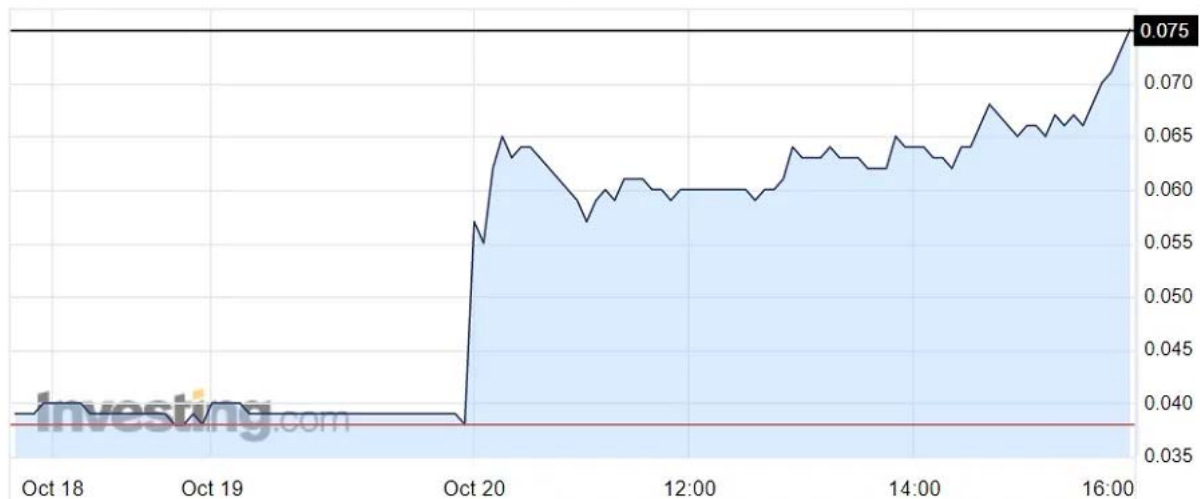
An initial \$3.3 million in revenue will be received shortly after the first quarterly purchase order from Varm Cosmo, which is expected by the end of this month.

“This watershed milestone supply agreement is transformational for our MGC Derma division and for MGC Pharmaceuticals as a company, and importantly for all our shareholders,” says Roby Zomer, co-founder and CEO of MGC Pharmaceuticals.

“It marks the culmination of much work in building our operations and our brand within this emerging market over the past 12 months, as well as development work for our proprietary formulations by our MGC Pharmaceuticals research team in Europe.”

South Korea is among the top 10 global beauty markets estimated to be worth \$US13 billion a year.

MGC Pharmaceuticals Ltd ▲ 0.075 +0.037 (+97.37%)



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