

15 November 2018

ASX Code: MXC

## Legal proceedings commenced against Varm Cosmo

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**MGC Pharmaceuticals Ltd (ASX: MXC or “the Company”)** confirms formal legal proceedings has recently commenced in the United Kingdom against VarmCosmo Co., Ltd. (“Varmcosmo”) for breach of material contract terms, in relation to the binding supply agreement (“Agreement”) between Varmcosmo and MGC Derma d.o.o. (“MGC Derma”) dated 27 October 2017.

The formal legal action follows the issue of a formal contract default notice in September 2018 to Varmcosmo, for failing to meet its contractual obligations under the Agreement. The Company intends to vigorously pursue this action against Varmcosmo and their Directors.

The Company seeks a minimum €625,000 in contract restitution at the time of default, plus damages suffered by MGC Derma in connection with Varmcosmo's failure to comply with its obligations under the Agreement including loss of contract revenue.

MXC will update shareholders of material developments or outcomes from these legal proceedings.

—Ends—

**For further information, please contact:**

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### About MXC

MGC Pharmaceuticals Ltd (ASX: MXC) is an EU based BioPharma company with many years of technical clinical and commercial experience in the medical cannabis industry. The Company’s founders were key figures in the global medical cannabis industry and the core business strategy is to develop and supply high quality Cannabinoids based pharmaceuticals products for the growing demand in the medical markets in Europe, North America and Australasia.

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