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MediPharm Labs Australia Signs First European White-Label Cannabis Supply Agreement With UK-Based Cannaray's Therismos

BARRIE, Ontario, May 15, 2020 (GLOBE NEWSWIRE) -- **MediPharm Labs Corp.**, (TSX: LABS) (OTCQX: MEDIF) (FSE: MLZ) ("MediPharm Labs" or the "Company") a global leader in specialized, research-driven pharmaceutical-quality cannabis extraction, distillation and derivative products, is pleased to announce that its subsidiary, **MediPharm Labs Australia Pty. Ltd.** ("MediPharm Labs Australia") has secured its first European white-label cannabis supply agreement with Therismos Limited ("Therismos"), a subsidiary of Cannaray Limited ("Cannaray").

Under the three-year agreement, MediPharm Labs Australia will supply a range of cannabis oil products that meet the high-quality standards set by the German Institute for Drugs and Medical Devices that requires all medicinal cannabis products be manufactured under Good Manufacturing Practices ("GMP").

Cannaray, a leading UK-based medical cannabis and CBD lifestyle product company, recently acquired Therismos, a specialist pharmaceutical company with licences to import, handle, and distribute controlled drugs in various European countries.

"We are pleased to be working with a supply partner that can meet our strict requirements for laboratory controls, quality, reliability, traceability and scale. MediPharm Labs mirrors the qualities we seek in a medical supply partner," said Scott Maguire, Chief Executive Officer, Cannaray. "We note in particular that both of MediPharm Labs' production facilities have achieved GMP certification, thus guaranteeing high-quality pharmaceutical products. Cannaray's goal is to provide patients with high-quality, naturally derived medical products and become a European leading importer and distributor of such products. The MediPharm Labs relationship is one significant step forward in achieving this goal."

MediPharm Labs Australia is licensed by the Australian Therapeutic Goods Administration (the "TGA") meeting internationally recognized GMP requirements. Since the TGA has entered into a mutual recognition agreement with the European Union, MediPharm Labs Australia's GMP certification has positioned it well to serve the needs of Cannaray as it expands its presence in Europe.

"Cannaray is the gold standard in its growing part of the European market and to be chosen

as their white-label partner is a coup for MediPharm Labs Australia,” said Pat McCutcheon, CEO of MediPharm Labs. “With the growing recognition of CBD’s therapeutic benefits, Cannaray is in the right place at the right time with an outstanding product portfolio and a highly engaged team of professionals. We look forward to participating in their growth.”

Also under the agreement, Therismos will purchase - within the United Kingdom and Ireland - certain formulations and dosage forms. The products will be supplied under branding designated by Therismos. The agreement is conditional on confirmation from the German Institute for Drugs and Medical Devices that the products meet specified quality and regulatory requirements.

The European Market: Growing a New Marketplace

Europe is widely recognized as one of the world’s most difficult medical cannabis markets to enter because of its strict and varied regulatory framework and rigorous quality requirements often requiring GMP products. As medical cannabis markets continue to liberalize, Europe is also one of the world’s most promising markets. European public acceptance of the benefits of medical cannabis legalization is gradually spreading, according to the Fifth Edition of Prohibition Partners’ *European Cannabis Report* from February 2020. Prohibition Partners also estimated in that same report that the total European legal market, which includes medical cannabis and recreational cannabis, could be valued at almost US\$2.5 billion by 2024 up from an estimated US\$0.3 billion today.

MediPharm Labs Australia: GMP certified, ready to serve global markets

In May 2020, MediPharm Labs was granted its GMP Certification and Licence to Manufacture Therapeutic Goods, allowing storage of cannabis resin as an Active Pharmaceutical Ingredient (“API”) and to engage in labelling, storage and release for supply as a Medicine Manufacturer of Oral Liquids within its specialized facility, which was designed to replicate the high-quality standards of the Company’s Canadian production facility. It features multi-phase supercritical CO₂ extraction equipment, clean rooms and testing laboratories.

MediPharm Labs Australia completed and celebrated its official facility opening in December 2019 when it also received State Licences for cannabis substances from the Department of Health and Human Services in Victoria, Australia. Under these State Licences, MediPharm Labs Australia is allowed to manufacture, store and supply cannabis products and medicines and, for research purposes, test cannabis at its facility. MediPharm Labs Australia also has its Cannabis Manufacturing Licence from the Australian Office of Drug Control (ODC) under the Narcotic Drugs Act 1967. MediPharm Labs Australia holds ODC Import and Export Licences, allowing the import and export of cannabis resin and extracts, bulk medicinal cannabis oil and finished medicinal cannabis products.

About Cannaray

Cannaray is a leading European cannabis company stratifying medical cannabis and a CBD lifestyle brand. Using its full portfolio, Cannaray is committed to making a positive impact on global health and prides itself on creating products backed by research, science and the latest-generation technology. Cannaray’s assets include European import and distribution licences for medical cannabis, an alliance with Newey Limited, the largest potted plant grower in the UK, as well as a full range of CBD products. Cannaray has a Scientific

Advisory Board composed of Key Opinion Leaders from the UK and Ireland covering pain, palliative care, haematology and neurology. These Key Opinion Leaders guide the Company's medical strategy around research, novel delivery forms and advance product development.

About MediPharm Labs

Founded in 2015, MediPharm Labs specializes in the production of purified, pharmaceutical quality cannabis oil and concentrates and advanced derivative products utilizing a Good Manufacturing Practices certified facility with ISO standard-built clean rooms. MediPharm Labs has invested in an expert, research-driven team, state-of-the-art technology, downstream purification methodologies and purpose-built facilities with five primary extraction lines for delivery of pure, trusted and precision-dosed cannabis products for its customers. Through its wholesale and white label platforms, they formulate, consumer-test, process, package and distribute cannabis extracts and advanced cannabinoid-based products to domestic and international markets. As a global leader, MediPharm Labs has completed commercial exports to Australia and is nearing commercialization of its Australian Extraction facility. MediPharm Labs Australia was established in 2017.

For further information, please contact:

Laura Lepore, VP, Investor Relations

Telephone: +1 416.913.7425 ext. 1525

Email: investors@medipharmlabs.com

Website: www.medipharmlabs.com

Cautionary Note Regarding Forward-Looking Information:

This news release contains "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this news release. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements. In this news release, forward-looking statements relate to, among other things, the successful performance of the agreement and shipping of products thereunder as planned; the projected expansion of the cannabis market and growing consumer demand; performance of the agreements as intended and disclosed herein; and Cannaray's position in the European cannabis market and MediPharm Labs' participation in their growth. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic, competitive, political and social uncertainties; the inability of MediPharm Labs to obtain adequate financing; the delay or failure to receive regulatory approvals; and other factors discussed in MediPharm Labs'

filings, available on the SEDAR website at www.sedar.com. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this news release. Except as required by law, MediPharm Labs assumes no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change.

All information contained in this press release with respect to Cannaray and Therismos was supplied by Cannaray for inclusion herein.



Source: MediPharm Labs Corp.