

July 23, 2020



MediPharm Labs Achieves First Sales Milestone in Australia, Global Sales for GMP Products Continue to Ramp Up in Q3 2020

- In June, shipped approximately \$500,000 AUD in GMP Pharma-Quality product for distribution to Australian customers
- Over 12 white-label supply agreements completed YTD 2020, offering multiple formulations
- Robust sales pipeline in Europe and Asia Pacific demonstrates demand for MediPharm Labs' GMP certified products

TORONTO, July 23, 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, today announced its Australian operation – **MediPharm Labs Australia Pty. Ltd.** – has reached its first month operational milestone, with approximately \$500,000 AUD, of formulated products delivered to customers in Australia, on its way to developing a strong commercial presence in international markets.

"MediPharm Labs Australia was conceived as a part of our strategy to develop a multi-jurisdictional, GMP-certified production capability for worldwide medicinal, wellness and adult-use markets and since opening at the end of 2019, it has signed a number of significant domestic and international customer supply agreements," said Pat McCutcheon, Chief Executive Officer, MediPharm Labs. "To reach this revenue milestone this quickly – in fact just two months after receiving Australian GMP certification – is positive proof of the demand for our capabilities and formulations and that our international team is beginning to hit its stride. I congratulate my colleagues in Australia for what will be the first of many milestone accomplishments."

The Company's Australian facility was certified by the Therapeutic Goods Administration ("TGA") as meeting the GMP standard and secured a Licence to Manufacture Therapeutic Goods in May 2020. As the Company's Canadian facility was TGA GMP certified in late 2019, MediPharm Labs has created a global pharmaceutical-quality supply chain that is qualified to serve new emerging medical markets internationally.

"Speaking on behalf of our local team, we couldn't be more excited by this development and the long-term potential we have to lead our markets," said Warren Everitt, CEO, Asia Pacific,

MediPharm Labs. “Our first month of operations included shipments of approximately \$500,000 AUD comprising formulated CBD and THC oils that our customers can trust for quality and reliability. These shipments are the product of synergies between our Canadian and Australian facilities as they were made possible by a large shipment of finished products and bulk oil from our sister GMP-certified facility in Barrie, Ontario. We intend to continue taking advantage of our internal supply pipeline on a strategic basis as we expand our international market share.”

RAMPING UP FOR SALES AGREEMENTS

Sales of GMP-certified formulated products are expected to continue ramping up in Q3 2020 under the white-label supply agreements MediPharm Labs Australia has with multiple customers in its target international markets including, but not limited to:

- Compass Clinics Australia Pty Ltd.
- Burleigh Heads Cannabis Pty Ltd. (Australia)
- Helius Therapeutics Limited (New Zealand)
- Cannasouth Plant Research New Zealand Limited
- Therismos Limited (UK)
- Beacon Medical Australia Pty. Ltd.

Agreements range from one year to three years and all are subject to renewal.

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.

MediPharm Labs’ facility in Australia 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.

FAST-DEVELOPING MARKETS

Australia remains one of the fastest growing medical cannabis markets in the world. According to the TGA, the rate of medical cannabis approvals is accelerating in Australia. Up to June 30, 2020, the TGA had approved over 50,000 SAS Category B applications for unapproved medicinal cannabis products, with 82% of all those approvals occurring in the last 12 months alone.¹ Currently, the Australian legal cannabis market is estimated at US\$40 million, and as a result of various recent regulatory changes is expected to grow to US\$170 million by next year, and over \$1 billion by 2023.²

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.

About MediPharm Labs Corp.

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: 416-913-7425 ext. 1525

Email: investors@medipharmlabs.com

Website: www.medipharmlabs.com

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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. 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.

¹ “Access to medicinal cannabis products”; Australian Government, Department of Health, Therapeutic Goods Administration; Accessed online June 18, 2020: <https://www.tga.gov.au/access-medicinal-cannabis-products-1>

² “Australia's legal cannabis market blooms to \$1.5 billion by 2025”; April 12, 2020; Consultancy.com.au; Accessed online June 18, 2020: <https://www.consultancy.com.au/news/1887/australias-legal-cannabis-market-blooms-to-15-billion-by-2025>



Source: MediPharm Labs Corp.