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MediPharm Labs Australia Expands Revenue Opportunity On Expanded GMP Licence

BARRIE, Ontario, Aug. 19, 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 that its Australian operation – **MediPharm Labs Australia Pty. Ltd.** ("MediPharm Labs Australia") – has received an important enabling amendment to its Good Manufacturing Practice ("GMP") Certification and Licence to Manufacture Therapeutic Goods.

The licence expansion, granted under Section 40B of the Australian Therapeutic Goods Act 1989 by the Therapeutic Goods Administration of the Australian Government's Department of Health, provides MediPharm Labs with the ability to manufacture Active Pharmaceutical Ingredient ("API") derived from cannabis and cannabis intermediates – such as resins, extracts and isolates – as well as medicinal cannabis finished products including oral liquids, soft-gel capsules and oil. This is one of very few licenses of its kind for dedicated medicinal cannabis manufacture in Australia.

MediPharm Labs Australia is poised to service the entire Australian patient population. July was a record month in Australia with over 5560 SAS-B medical cannabis approvals, an increase of 20% from June (4,630). As of 31 July 2020, the TGA approved over 56,000 SAS Category B applications for unapproved medicinal cannabis products(1). At current levels, MediPharm Labs anticipates more than 70,000 patient approvals could be achieved by the end of 2020.

"This licence amendment paves the way for MediPharm Labs Australia to immediately begin using our facility as it was intended: to manufacture the highest quality APIs and finished medical cannabis formulations for our rapidly growing base of customers," said Warren Everitt, CEO, Asia Pacific, MediPharm Labs. "We are extremely proud of this achievement and the MediPharm Labs Australia team that made it happen as it reflects our longstanding commitment to GMP standards and pharma principles of production."

MediPharm Labs Australia was certified by the Therapeutic Goods Administration ("TGA") as meeting GMP quality standards of practice and secured a Licence to Manufacture Therapeutic Goods in May 2020 and is already generating revenue. MediPharm Labs Australia reported over $600,000 revenue in Q2 2020 from the final packaging of products, originally bulk manufactured in its Canadian headquarters, for sale to Australian customers.

As the Company's Canadian facility was TGA GMP certified in late 2019, MediPharm Labs boasts a global pharmaceutical-quality supply chain that is qualified to serve emerging medical markets internationally.

"Whether we manufacture in Canada or now Australia, or a combination thereof, for our current worldwide demand, MediPharm Labs meets *the* most rigorous standards set out by established health authorities and this licence update serves as another reminder of that very important fact," said Pat McCutcheon, Chief Executive Officer of MediPharm Labs. "As a multi-jurisdictional GMP-certified producer, licences such as this differentiate us in the marketplace, serve as a door-opener to sophisticated new pharma and consumer packaged goods customer accounts and represent a highly sought after, valuable and irreplaceable asset that we will protect. Now that we have the green light to manufacture a variety of products and formulations *in* Australia, we intend to make the most of our first-mover advantage."

MediPharm Labs also holds Australian Office of Drug Control (ODC) Import and Export Licences covering cannabis resin and extracts, bulk medicinal cannabis oil and finished medicinal cannabis products. It received State Licences for cannabis substances from the Department of Health and Human Services in Victoria, Australia in December 2019 when it completed construction of its manufacturing facility.

MediPharm Labs Australia features multi-phase supercritical CO_2 extraction equipment, clean rooms and testing laboratories. The Company also has capabilities to manufacture soft gels, oral liquids and oils and API. It was modelled on the Company's state-of-the-art facility in Barrie, Ontario.

More Details of the Licence Update

Under the updated licence, MediPharm Labs may manufacture medicinal cannabis finished therapeutic goods intended for: registration in Australia (Registered Therapeutic Goods); Clinical Trial use (excluding labelling activities); and products for export or which are exempt from registration and listing on the Australian Register of Therapeutic Goods under the provisions of Section 18(1) or Section 19 (1)(a) of the Therapeutic Goods Act. MediPharm Labs Australia may also manufacture API intended for Further Manufacture by other licensed manufacturers.

1) https://www.tga.gov.au/access-medicinal-cannabis-products-1

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, MediPharm Labs formulates, develops (including through sensory testing), processes, packages and distributes 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

completed commercialization of its Australian extraction facility which generated its first revenues in H1 2020. MediPharm Labs Australia was established in 2017.

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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, supply of products to Hybrid Pharm for distribution pursuant to the agreement. 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.

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Source: MediPharm Labs Corp.